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DE RUEHSM #0857/01 3581109
ZNR UUUUU ZZH
P 231109Z DEC 08
FM AMEMBASSY STOCKHOLM
TO RUEHC/SECSTATE WASHDC PRIORITY 3999
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY

UNCLAS SECTION 01 OF 03 STOCKHOLM 000857

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: [PREL](#) [PGOV](#) [INR](#) [EU](#) [SW](#)

SUBJECT: "EXPECT THE UNEXPECTED" DURING SWEDEN'S EU
PRESIDENCY

REF: STOCKHOLM 792

11. (SBU) Summary: Sweden has about six months before it assumes the EU presidency on July 1, 2009, but the government is already in overdrive preparing policy goals and restructuring governmental offices. EUR/ERA Director Bill Lucas visited Stockholm on December 4-5 to discuss priorities for the Swedish presidency with senior officials in the Prime Minister's office, the EU Minister's Office, and the MFA. All interlocutors listed the same Swedish priorities for the presidency--climate change, EU enlargement, and asylum issues--but are also aware that they have to "expect the unexpected." End Summary.

WHO'S WHO: THE SWEDISH EU PRESIDENCY TEAM

12. (U) Drawing on lessons learned from its 2001 EU presidency, Sweden restructured its internal EU presidency bureaucracy, most importantly by bringing the Office of the Minister for EU Affairs into the Prime Ministry.

-- Prime Minister Fredrik Reinfeldt has overall responsibility for Sweden's EU presidency. His State Secretary for International Affairs, Gustaf Lind, is tasked with setting inter-ministerial priorities, formulating policy towards EU issues, organizing the PM's international engagement, and preparing for EU summits.

-- Minister for EU Affairs Cecilia Malmstrom's office is led by her State Secretary, Maria Asenius. Asenius told Lucas her office is charged with the EU Treaty, long-term budget issues, basic preparations for the presidency, and the political leadership of horizontal EU issues including employment strategies and legal issues. During the presidency, Malmstrom will chair the General Affairs Council and be Sweden's face before the European Parliament.

-- Both Reinfeldt and Malmstrom receive policy support from the three-person Foreign and EU Affairs Division of the Prime Minister's Office, headed by career diplomat Mikaela Kumlin Granit.

-- The much larger EU Policy Coordination Unit in the Prime Ministry is run by career civil servants and headed by Ambassador Ingrid Hjelt af Trolle. It serves as a secretariat, dealing with the daily coordination of EU work and following general EU issues. It also leads interagency coordination of EU-related matters and formulates policy on EU issues and cross-ministry priorities, preparing, for example, instructions for COREPER meetings. It is responsible for interfacing with the Swedish public on EU issues.

-- Finally, the MFA's EU Department handles EU-related bilateral issues, including enlargement and reform and assists the PM's Office in its preparations for European Council meetings. The EU Correspondent Office within this

department coordinates the MFA's GAERC preparations and will assist the PM's Office on issues related to the Common Foreign and Security Policy.

PRIORITIES FOR THE SWEDISH PRESIDENCY

13. (SBU) The joint 18-month program of the French, Czech and Swedish presidencies was formulated in May 2008, and Sweden is now deciding which precise areas to highlight and what specific goals it will strive for within the program, with final decisions to be made in late spring 2009, Asenius said.

In 2001, Sweden focused on the "Three E's"--environment, EU enlargement, and the economy. All of Lucas' interlocutors stated that the 2009 objectives will likely be similar: climate change, EU enlargement, and EU border, visa and asylum policies.

-- Climate Change: Officials in the PM's office told Lucas climate change will be PM Reinfeldt's top priority, with the goal of reaching a binding international agreement at the Copenhagen COP 15 scheduled for December 2009, near the end of the Swedish presidency. Asenius said binding commitments from the USG will be a top priority; Hjelt af Trolle discussed the need to "give China something to bring it on board." Most interlocutors bemoaned the fact that the current financial crisis has led to a number of EU leaders saying that they might not be able to afford the financial investment required to meet EU emissions reduction goals. Hjelt af Trolle and Lucas agreed that key elements should involve clean-tech transfers and participation by India and China to reduce carbon emissions.

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-- Sweden will also develop an EU Baltic Sea Strategy, drawing on and strengthening existing EU provisions. Kumlin Granit described the Strategy as an "EU pilot program" for dealing with problems sub-regionally, "because we have problems here that they do not have, for example, in the Mediterranean." The Strategy will seek to improve environmental protections and increase economic development through the harmonization of rules and regulations governing trade and transportation among eight of nine Baltic states that are EU members. The EU Commission is expected to present a proposal by June, to be adopted by the European Council before the end of the Swedish presidency. "Before, the Baltic divided East and West," Granit told Lucas, "but now it is an EU Sea."

-- EU Enlargement: Hjelt af Trolle said aspiring members have high expectations for the Swedish presidency and the pace of enlargement must be "kept up." Croatia will undergo intense negotiations next year, even if it does not complete them before the end of 2009. Sweden expects to deal with Turkey's accession intentions as well, though "it is difficult to be a friend of Turkey when we see so little progress," Asenius said. Kumlin Granit added that Turkey's continued refusal to open its ports to Greek Cypriot vessels is causing many in the EU to consider sanctions rather than membership. If Turkey makes little progress on the Ankara agreement, Sweden will have an uphill battle to counter the resulting fallout with key EU states, she added. The Eastern Partnership Program (reftel), a Swedish-Polish initiative, is scheduled to go into effect in March, but the Swedes anticipate having an active role in its implementation during their presidency.

-- Asylum and Border issues: The Hague Program will end in 2009 and Sweden already has taken the lead within the EU to develop a new five-year "Stockholm Program" that will aim to further harmonize EU asylum and migration policies, leading to a common European migration and asylum system. Asenius said there is a need for greater emphasis on rights over coercion and oppressive measures. Asenius noted there would be room for U.S. cooperation under this program on law enforcement, anti-trafficking, and anti-terrorism issues.

¶4. (SBU) Lucas emphasized the U.S. desire to coordinate closely with the Swedish presidency to advance our mutual goals, picking up in particular on the Swedish priorities involving climate change and enlargement/outreach to the Balkans and Eastern neighborhood. In the latter context, he cited the need for U.S.-EU collaboration on relations with a more assertive Russia. Lucas also flagged Afghanistan, Iraq, Iran, Middle East peace, energy security, and the Transatlantic Economic Council as areas for continued U.S.-EU cooperation. Swedish interlocutors were open to these suggestions, but several cited the global economic downturn as a reason the EU/Swedish presidency might not be able to adequately address regional security issues far out-of-area. The Swedish officials were receptive to the idea of further engagement in the Transatlantic Economic Council but indicated that some member states feel a lack of ownership in the process.

Expected Surprises

¶5. (SBU) Swedish interlocutors cautioned that a series of externalities and institutional uncertainties will affect the degree to which they can carry out their policy platforms. MFA Security Director Nils Daag told Lucas that the Swedes, in addition, are "expecting the unexpected" to re-order their priorities.

-- Lisbon Treaty: The Swedes are planning for a presidency under either the Nice or Lisbon Treaty. Current thinking is the EU will present a legally binding declaration to Ireland at the June 2009 meeting of the Council of Ministers that alleviates Ireland's concerns over the Lisbon Treaty. If this happens, a second Irish referendum likely would take place in October during the Swedish presidency, with the Lisbon Treaty taking affect during the latter half of the presidency or, more likely, on January 1, 2010.

-- Lame Duck Commission: Under the current Nice Treaty, the Commission President will be chosen during the Czech presidency, and the Commission itself during the Swedish presidency. Unless other extraordinary arrangements are agreed, fewer commissioners than member states would have to be elected, potentially causing internal strife. As the Commission cannot propose legislation until it is fully operational, the lack of an active Commission would compromise Sweden's ability to push through legislation related to its presidency objectives, according to Axel Wernhoff of the MFA's European Division. In addition, the

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European Parliament will be in the process of forming itself after June 2009 elections and will then turn to reviewing nominated Commissioners throughout the summer, said Wernhoff, adding to the "institutional vacuum."

Upcoming Meetings

¶6. (U) During the Swedish presidency, there are plans to hold EU summits with Brazil, Russia, India, China, South Africa, Ukraine, and possibly Pakistan. The Swedes view the traditional September UNGA margins as an opportunity to schedule, as appropriate, U.S.-EU meetings at the Summit, Ministerial, or other levels. In addition, PM Reinfeldt hopes to travel to Washington early in 2009 to discuss Sweden's EU priorities and especially climate change, with President Obama and the new Administration.

¶7. (U) Mr. Lucas cleared this cable.
SILVERMAN